

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

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Haiti: Prospects for the Military Regime

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Summary

We believe that over the next six to nine months Haiti will become even more politically unstable than it was before the coups deposing civilian President Leslie Manigat in June and Lieutenant General Henri Namphy in September. Despite the military government's efforts to consolidate its power, the current fragmented military leadership, in our view, clearly lacks the will and the resources to implement a strategy to cope with Haiti's deepseated problems. Whether Lieutenant General Prosper Avril remains President, or is succeeded by another senior officer will not, in our judgment, significantly alter Haiti's course over the near term. On the other hand, another coup by lower-ranking elements of the military also would not encourage democratization, in our view, but, rather, could lead to political chaos and ultimately to the emergence of an authoritarian dictatorship similar to the Duvalier regime. In any event, we judge that Haiti will experience worsening economic difficulties,

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periodic outbreaks of unrest, further erosion of discipline in the Army, and political isolation that will deter any meaningful steps to democracy. [REDACTED]

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In our view, Duvalierists--basically antireformist--prefer rule by the military, but their backing for the regime is tenuous because political ambitions ultimately place many of them at loggerheads with the Army. We judge that Duvalierists are primarily motivated by self-interest and do not constitute a united movement, but that they are, nevertheless, capable of resorting to destabilizing violence to protect their interests and to gain political power. [REDACTED]

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The influential Catholic Church may emerge as the government's chief critic if the human rights situation continues to deteriorate as it did under Namphy, but other opposition elements appear reluctant, at least for now, to challenge the regime. Moreover, US Embassy reporting suggests that most Haitians are weary of political turmoil and reluctant to respond to calls for protest at this juncture. Still, we believe the shattering of popular aspirations for economic progress, coupled with perceptions that the revolution against Duvalierism is only half finished provide tinder for further spontaneous outbursts in the coming months. [REDACTED]

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Although we foresee the military government growing increasingly ineffective and unstable, we believe a slightly less likely variation of this scenario would be a tenuous consolidation of power by the Army by mid-1989. The regime might shore up its control by governing with many of the worst authoritarian and corrupt traits that marked the 29-year Duvalier era. In a third, less likely scenario, military leaders might appoint--or even hold an election for--a handpicked civilian president to legitimize their hold on power. [REDACTED]

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If Haiti grows more estranged from the United States and more desperate for funds in the coming months, the long-term implications for Washington are serious. Increased repression or renewed unrest could prompt an influx of boat people to the United States, and the Haitian Government might decide to reject repatriation of refugees intercepted by the US Coast Guard. Port-au-Prince also might seek to raise revenue by opening up the country increasingly to drug trafficking, which [REDACTED] has been abetted by elements in the military. [REDACTED]

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Although Cuba and Libya regard Haiti as a low priority target for subversion, [REDACTED]

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[REDACTED] we judge that the increasingly unstable situation in Haiti could prompt them to encourage local radicals to try to capitalize on the country's political turbulence. So far, no extremist group with ties to Cuba or Libya has made significant political inroads or mounted an armed struggle or a terrorist campaign. Some Haitian radicals, however, working with leftists in the Catholic Church, could ultimately develop an effective grassroots movement capable of inciting widespread unrest and presenting whatever government is in power with a serious challenge. Under these conditions, we believe that Haitian or other Caribbean leaders might appeal for greater US involvement, possibly to include military intervention, to restore order and redirect Haiti's political course [REDACTED]

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Introduction

The two recent military coups in Haiti have demonstrated that the Haitian Army is a weak and volatile institution that rules only because of a power vacuum. The Army's overthrow of President Leslie Manigat in June underscored the military's determination to be independent of civilian control and to remain the key institutional power broker in Haitian politics. The coup, led by noncommissioned and junior officers and coordinated by then-Brigadier General Prosper Avril, placed Lieutenant General Henri Namphy at the head of the military government and appears to have been a largely spontaneous response to Manigat's attempt to make sweeping changes in the Army leadership. US Embassy and [REDACTED] suggests that Namphy's ouster by noncommissioned officers and enlisted men on 17 September, bringing Avril to the presidency, was partly a response to Namphy's incompetence, his growing alliance with one faction of civilian Duvalierists, dissatisfaction in the lower ranks of the Army, and a deteriorating security situation. [REDACTED] however, that military discipline has weakened and that Avril has yet to consolidate his position or establish his control over the NCOs who led the coup¹. [REDACTED]

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Although Avril has pledged to respect human rights, work for economic improvement, and institute a transition process toward

1. For details on the NCOs who led the coup, as well as their political clout and agenda, see Appendix A. [REDACTED]

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[redacted]

an elected successor, his long record in Haitian politics casts doubt on his trustworthiness and commitment to hold fair elections. Avril's inclusion in the original six-man ruling council headed by Namphy, which succeeded President Jean-Claude Duvalier in February 1986, was so unpopular because of Avril's well-known Duvalierist ties that Namphy was forced to transfer him to a less visible position. Nevertheless, the public at large has not visibly reacted to recent events, indicating widespread resignation to the military's political predominance and to the country's chronically dismal economic conditions.² [redacted]

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The Political Landscape

Haiti's political scene is--by default--dominated by the military, but some extremists already appear to be positioning themselves to try to undermine Avril. [redacted] the lower ranks in the Presidential Guard who initiated the coup against Namphy support Avril, but Embassy and [redacted] this support is tenuous. Moreover, public statements favoring Namphy's overthrow from various opposition groups have not necessarily translated into support for Avril. Although Avril has long had ties to Duvalierists, the US Embassy reports that one leading Duvalierist--former Port-au-Prince mayor Franck Romain--has attempted to follow Namphy into exile.

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[redacted] the military's ruling clique and Duvalierist leaders are mutually suspicious, and Duvalierists may already be plotting to take advantage of the situation. Some prominent centrist political leaders have abandoned their opposition role and welcomed Namphy's overthrow or remain ambivalent about it. Leftist groups, including the Communist Party, are organizationally weak, but they continue to organize openly and fashion appeals to "progressive elements" in the military. Other far-left extremists seem incapable of fomenting more than isolated, small-scale acts of violence. [redacted]

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The Regime and Its Supporters

[redacted] the current government, while potentially more competent than Namphy's regime, is still relying heavily on cronyism. The Embassy says Avril has appointed able, though lackluster, technocrats to cabinet posts, and has named Brigadier General Herard Abraham--a military ally--as Commander-in-Chief of the Armed Forces. [redacted]

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[redacted] is replacing most senior officers and reconstituting the High Command with officers loyal to him. [redacted]

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Within the military itself, uncertain loyalties and the increasingly unbridled lower ranks represent, in our view, the

2. For detail on Haiti's recent economic performance and prospects, see Appendix B. [redacted]

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strongest potential threats to the new regime's stability. Prior to Namphy's ouster, reliable sources of the [redacted] political strength fluctuated regularly with his chief rival Defense Minister Williams Regala. Avril reportedly has placed former classmates from the Haitian Military Academy class of 1961, which he headed, in high-level government posts to consolidate his position. Although Avril has replaced Regala in the cabinet and retired him from the military, and promoted key officers from the cohesive military academy class of 1973, the recent coup demonstrates that loyalties at all levels of the Army can shift rapidly. Moreover, the initiatives of noncommissioned officers and enlisted men in ousting their commanders following the coup, in our view, suggests a serious--and perhaps irreversible--decline in military discipline. Senior and mid-level officers are becoming alarmed over the growing influence and independence of noncommissioned officers, [redacted] [redacted] coup plotting--long endemic to Haiti--was under way in September among disgruntled lower-ranking elements other than those who actually overthrew Namphy. [redacted]

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The Duvalierists initially appear to prefer the current regime to Namphy's inept administration, but their loyalty to the government is highly questionable. [redacted]

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[redacted] ex-Army chief Claude Raymond, a leading Duvalierist, is deeply concerned about mob attacks on Duvalierists and purges in the Army in the aftermath of the coup. [redacted]

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[redacted] Moreover, the US Embassy [redacted] [redacted] indicate that some prominent Duvalierists continue to harbor presidential ambitions and may try to gain the alliance of Army elements in their own quest for power. [redacted]

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The private business sector is politically diverse, but the Embassy says most businessmen are at least tacitly supporting the regime despite the negative economic repercussions of recent political events. The Embassy says most businessmen probably believe that democracy is not viable in Haiti at this time. Many reportedly view the military coups as blows to Haiti's international image, however, and are worried about the impact on their enterprises. Moreover, Haitian businessmen generally doubt that the military has the political will and economic resources to begin to address Haiti's deepseated problems. Nonetheless, the Embassy reports that the private sector has no interest at this time in lobbying for democracy. [redacted]

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Several partisan leaders have become tentative supporters of the regime. Embassy reporting suggests that some moderates welcomed the Army's ouster of Namphy, whom they considered an incompetent president. [redacted] Marc Bazin, a leading presidential contender in the aborted election last

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November, believes it is fruitless to oppose the military. Even Gerard Gourgue, the former presidential candidate of the non-Communist left, has publicly supported the coup. We believe Bazin and some other moderates are cooperating with the regime in the hope that the military will eventually turn to them to head a civilian government. [REDACTED]

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A Fragmented and Demoralized Opposition

The Catholic Church has emerged as a leading opponent of the Duvalierist right, but it does not appear willing to challenge the government at this point. After several months of silence, the Catholic bishops called for a purge of Duvalierists from positions of authority. The bishops, however, also condemned acts of mob violence directed against rightists. Radical Catholic priests associated with the so-called "Popular Church" continue to deliver stridently antigovernment sermons heavily influenced by leftist "liberation theology." Still, we lack evidence that any elements of the Church have yet decided to encourage activity by their followers aimed at toppling the regime. [REDACTED]

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The political opposition and the Haitian media are unwilling or unable at this point to effectively challenge the regime. Three of the four former leading presidential candidates--Marc Bazin, Louis Dejoie, Jr., and Gerard Gourgue--remain nominally in alliance but are deeply divided over tactics and strategy,

[REDACTED] The Embassy reports that Sylvio Claude, the fourth member of the alliance, has criticized the takeover but otherwise has been restrained in his post-coup opposition activities so far. Claude even accepted an invitation to a meeting with Avril to exchange views. Nevertheless, we believe the erratic Claude is likely to eventually provoke the regime to suppress his activities altogether. The non-Communist left, briefly united last year as the National Concertation Front that backed Gourgue's presidential candidacy, is fragmented and most of its components apparently are politically dormant. Meanwhile, the Haitian media are practicing selective self-censorship, as they did during the Duvalier era, presumably to avoid attacks by Duvalierist extremists. [REDACTED]

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Extreme leftists--a small minority that apparently lacks a clear strategy for opposing the regime--see opportunities in the coup's aftermath to gain support among the Army's rank and file. The Embassy reports that the Democratic Unity Confederation--the so-called KID--has proclaimed its support for the purges of senior officers by the "people's army." Judging by the recent socialist statements of some noncommissioned officers involved in the coup, some leftist groups may already be influencing elements of the rank and file. [REDACTED] Haitian Communist Party leader Rene Theodore wants to avoid any activity that might provoke a crackdown on his party, and the Communists have joined with moderates and other leftists in welcoming Namphy's ouster. At least two extremist groups, however,

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continue to send members to Libya for military training, [redacted] So far they have failed to demonstrate a capability to threaten the regime. One of these groups, the Haitian Liberation Organization, has meager resources and only about 30 members but, nonetheless, may try to launch terrorist attacks on US targets at Libya's behest. [redacted]

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Weak Foreign Influences

[redacted] Cuba and other prospective foreign interlopers do not view Haiti as a priority target for subversion and have had negligible influence on events there so far.³ Havana and the Dominican Communist Party have given the Haitian Communists political guidance, modest funding, and some military training but are disappointed by the party's lack of tangible accomplishments. [redacted]

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[redacted] rumors that Havana has been infiltrating Creole-speaking black Cubans of Haitian ancestry into Haiti to form a cadre of revolutionaries.

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[redacted] Tripoli disburses funds to Haitian radicals through the Libyan People's Bureau in Panama in an ongoing--and so far unsuccessful--effort to promote a terrorist campaign in Haiti. [redacted]

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Western criticism of the former High Command's scuttling of democratization does not appear to have significantly influenced the military's political course. Following the election-day violence in November 1987 in which, according to the Embassy, some Army elements apparently took part, military leaders have acted with disregard for Western concerns. [redacted]

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[redacted] top officers failed to anticipate the adverse reaction that the rigged election in January would have on Western aid donors, and unrealistically hoped that Manigat could quickly secure a resumption of government-to-government aid from the United States. [redacted] military leaders are now aware that domestic conditions probably will deteriorate more rapidly without an increase in foreign aid soon. [redacted]

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[redacted] most military figures are at least as concerned with protecting their own and the military's parochial interests as with mollifying foreign donors. [redacted]

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The Military's Agenda

Based on Embassy and [redacted] on the Haitian military before the latest coup and on our analysis of the personalities and political dynamics among the current military leadership, we believe that the High Command presently has three--and probably only three--primary goals:

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-- To strengthen the military's institutional integrity.

3. For details on foreign assistance to Haitian radicals, see Appendix C. [redacted]

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-- To ensure the Army's political predominance.

-- To improve the lot of the NCOs and enlisted men.

Beyond these primary goals, and despite Avril's positive statements about democracy, military leaders, in our judgment, have yet to formulate clear objectives. Reporting from the Embassy and [redacted] earlier this year suggests that many Haitian military officers generally disdain politics and civilian leaders and view the military as the only effective instrument for governing Haiti. The political mettle of the new members of the High Command is still untested, but we lack indications at this juncture that they are strongly committed to political reform. The same is true of the enlisted men and NCOs behind the latest coup--they have professed support for democratic reforms, but appear more concerned with improving the conditions of their service. [redacted]

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[redacted] former President Manigat's attempt to assert control over the Army in June--or at least weaken its control over him--has greatly enhanced the military's wariness of entrusting the presidency to a civilian again. [redacted]

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Exercising Power With Little Political Vision

Despite Avril's pledge following the coup to institute a transition process aimed at restoring civilian rule, the regime's actions so far suggest it is primarily interested in consolidating its control. Embassy reporting suggests the regime may be clearing the way to scrap articles from the 1987 constitution that severely curtailed the political role of the military. Moreover, we see no evidence yet that Avril is willing--or has sufficient support in the military--to confront Duvalierists and other entrenched elites by launching far-reaching political and economic reforms to address Haiti's intractable social and economic problems. [redacted]

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Satisfying the Elites and Discouraging Opposition

In our opinion, the military leadership is aware that its ability to maintain a semblance of civil order and impose a relatively stable business environment are strong incentives for Haiti's wealthy interest groups to remain in the progovernment camp. The Embassy has indicated that affluent elites--which account for about 1 percent of the population--generally view only limited social and political change as in their best interests. We believe this is especially true of businessmen with Duvalierist ties. Businessmen of mulatto and Arab descent coexisted uneasily with the Duvalier regime, however, and the Embassy says some of them are apprehensive about the potential for a return to the practices of the Duvalier era, when entrepreneurs who arbitrarily fell out of favor with the President were punished or harassed by the regime. [redacted]

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Despite Avril's statements about building democracy, we believe the regime's threshold for tolerating political dissent is low. The government has had little need to resort to repression since coming to power because of the near total lack of serious opposition. Moreover, the regime has yet to show that it is interested in investigating atrocities committed by extremists, much less other alleged human rights abuses, which have occurred over the past year. [REDACTED]

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Finessing the Civilian Duvalierists

We believe the military recognizes the threat posed to its political preeminence by rightwing civilians. Aside from Claude Raymond, other Duvalierist figures such as Clovis Desinor control armed loyalists drawn from the ranks of the infamous disbanded militia popularly known as the Ton Ton Macoutes, [REDACTED]

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[REDACTED] We doubt that either of these men would be content with being merely the military's puppet president if they somehow managed to attain the office. Raymond even predicted to an Embassy official in August 1987 that a military coup would end Haiti's experiment with democracy and that this would be the first step in bringing a Duvalierist, preferably himself, to power. [REDACTED]

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Outlook

We assume that the Army will retain power during the timeframe of this assessment because of the almost complete lack of politically viable alternatives to the military government. In our opinion, the stability and effectiveness of the regime will be determined by three key variables:

- The ability of the High Command to rein in increasingly recalcitrant lower-level elements in the military.
- The degree of interest shown by influential military elements in returning the country to civilian rule.
- The development and persistence of public protests, primarily in response to worsening economic conditions.

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Considering these factors, we believe that events could unfold along three different paths over the next six to nine months. In the most likely case, the military regime will grow weaker and more unstable as jockeying for power increases and the lower ranks become more coup-prone. A slightly less likely variation of this scenario is that Haiti's military leadership would remain tenuously in control of the government and the security situation, ruling with little political vision beyond retaining power, profiting from various forms of corruption, and suppressing political and economic dissent through blatant intimidation and brutality. Whether or not Avril remains as President does not significantly alter these scenarios, in our

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judgment. We believe a third, and less likely, scenario is that the military would again opt to handpick a figurehead civilian president in an attempt to legitimize its hold on power. We judge, however, that this scenario stands a better chance of occurring beyond this paper's timeframe. In any event, we believe that Haiti will experience worsening economic difficulties, periodic outbreaks of unrest, and political isolation that will deter any experimentation with genuine democratization by the regime. [REDACTED]

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An Ineffective and Unstable Government

We believe the probable failure by the regime to implement meaningful political and economic reforms, despite reliance on civilian cabinet ministers and administrators to help run the government, will lead to more political instability and increased military factionalism in the months ahead. The shattering of popular aspirations for democracy and tangible economic progress will provide tinder for a recurrence of spontaneous outbreaks of unrest. Although such challenges to military authority during the ruling council's tenure tended to galvanize the armed forces' unity, the current divisions in the Army would, in our opinion, be exacerbated by popular disturbances and leftist agitation. Mid-level or senior officers who fear removal by undisciplined troops may seek alliances with lower level ranks or civilian politicians in an attempt to expand their clout or simply consolidate their position, particularly if the regime appears threatened by protracted unrest. We judge that such maneuvering within the Army would result in a military government with a weak and unstable leadership. [REDACTED]

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In our view, the initiatives taken by noncommissioned and junior level officers to oust Manigat and Namphy--unprecedented in recent Haitian history--are evidence that a coup attempt against Avril by disgruntled elements in the ranks may become increasingly likely in the coming months. We believe that mid-level and junior officers, whom the [REDACTED] generally characterizes as reasonably well-trained and educated, could become increasingly uneasy with the High Command's governing style and more frustrated with its ability to improve pay and working conditions. Although an outright split in the military does not appear to be imminent, we believe a coup attempt by noncommissioned or junior officers could be triggered quickly by a combination of alarm over a deteriorating security situation mismanaged by the regime and more parochial concerns about the advancement of their own careers or protection of their perquisites. Despite the populist tone of some demands made to Avril by noncommissioned officers in mid-September, we have no clear indication that the desire for genuine political reform would be a prime motivation for a coup attempt by these or other military elements. In any event, another coup or comparable breakdown in military discipline might end the military's ability to govern Haiti with any degree of effectiveness and could well lead to political chaos. [REDACTED]

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A Military Version of Duvalierism

Avril's purge of senior military ranks and placement of cronies in key government positions--in effect, employing the tactics of the Duvalier regimes--might allow him to consolidate his hold on power at least temporarily.⁴ We expect Haiti's military leaders to continue making platitudinous promises about democracy--much as Jean-Claude Duvalier did--mainly in an effort to attract foreign aid, while suppressing opposition activity with selective brutality. The Duvalierists' and other elites' opposition to fundamental systemic reform, in our view, will further discourage any impulses in the military leadership or the civilian-dominated government bureaucracy to implement innovative changes. We believe the military also recognizes that even modest reforms could revive the opposition and encourage it to push for more sweeping changes, prompting the regime to increasingly rely on repression to preserve itself. [REDACTED]

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We believe that the prospects for abandoning the system of official corruption largely inherited from the Duvalier era are particularly bleak in the present circumstances. In our judgment, any effort to root out narcotics profiteering and other forms of official corruption, such as military involvement in smuggling contraband, almost certainly would require a new military leadership--one with the will and strength to confront corruption in the ranks--and much larger foreign financial assistance than is currently in the pipeline.

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Turning To Civilians Again

Although the least likely scenario in the coming months, the military leadership nonetheless might feel compelled by internal and external pressures to announce a timetable for a return to civilian rule, to appoint a civilian figurehead president, or even hold elections. In this scenario, we expect the military would retain its firm grip on the reins of power. In our opinion, the military's turn toward the civilians would be primarily an attempt to secure a resumption of US aid and an increase in other foreign assistance rather than a genuine intent to transfer power. We believe military leaders would choose this option only if it concluded that other sources of revenue available to the government were so meager as to imminently threaten the military's hold on power. We consider it likely, although beyond the timeframe of this assessment, that the military eventually will organize and stage-manage a presidential election to try to gain some legitimacy while ensuring that no civilian it deems incompetent or hostile to its interests is elected. [REDACTED]

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4. For details on the evolution of Duvalierism, see Appendix D. [REDACTED]

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Implications for the United States

We believe the military's political predominance and probable culpability in a deteriorating human rights situation will further complicate Haitian-US relations. Regardless of whether Avril or some other military figure is President, many international observers and human rights groups are certain to continue condemning the regime and lobbying Washington to go beyond withholding economic and security assistance and to impose trade sanctions. At the same time, assuming the government's financial position becomes increasingly desperate, the regime could adopt a siege mentality, lashing out at foreign and domestic critics in both rhetoric and action that would preclude any rehabilitation of its international image. Port-au-Prince almost certainly would aim its harshest criticism at the United States, Haiti's traditional benefactor. At a minimum, the situation portends a dangerous environment for US and other foreign investment in Haiti, prompting a potential departure by investors. Such a development would deliver a crippling blow to an economy already reeling from the suspension of US and multilateral economic support. [REDACTED]

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Should the military announce a timetable for new elections or appoint civilians to important government posts, the impact on broader US interests would be mixed. Even a partial restoration of US economic and security assistance to a more palatable Haitian regime would be likely to enhance prospects for political stability. Most Haitians and many international observers, however, probably would regard any resumption of US aid as a sign of Washington's acceptance of, and possible collusion in, the military's seizure of power. The view that the United States somehow gave its blessing to a military coup in Haiti could have a ripple effect in the Caribbean region and elsewhere in Latin America. We believe the military takeover in Haiti and the perceived US reaction to it could influence the course of events in two other Caribbean countries in particular:

- The Dominican Republic, where a presidential election is scheduled in 1990 in an increasingly fractious political environment, amid growing military disgruntlement with civilian political leadership.
- Suriname, where an uneasy transition from military dictatorship to civilian democracy has been in progress for the past year. [REDACTED]

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In the absence of new US and other Western assistance, the military might try to keep the regime afloat by turning to revenue sources inimical to US interests. For example, with the motives and opportunities for official involvement in narcotics trafficking already growing rapidly, we believe military leaders might prove increasingly willing to use drug profits to supplement government spending, despite official pronouncements

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advocating closer counternarcotics efforts with the United States. [redacted]

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If no progress toward genuine democratization occurs in the next nine months, we foresee the Haitian Government growing more estranged from the United States and ever more desperate for funding, portending serious implications for the United States over the longer term. Unbridled repression or rapidly deteriorating economic conditions could prompt a substantial flow of refugees to the United States, and Haiti might refuse repatriation of boat people interdicted by the US Coast Guard. Moreover, even though we lack indications at this juncture that Haiti plans to approach radical states for assistance or that such states would be receptive to Haiti's overture, we believe a desperate Haitian Government shunned by the West might eventually turn to the USSR and its allies or to Libya in search of aid. [redacted]

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A sudden escalation of violence spurred by extremists on the right or the left could lead to political chaos, creating opportunities for radical states and bringing calls for a stronger US role in Haiti. Some Duvalierists might resort to death squad activity against the opposition and other spectacular acts of violence if they believe the military government is acting against their interests, or perceive an opportunity to seize power for themselves. In addition, the left--in conjunction with radicals in the Catholic Church--may develop a capability, more likely in the next few years but possibly sooner, to incite serious unrest. Such an unstable situation could greatly encourage deeper involvement by interventionist states such as Cuba and Libya that seek to gain a foothold in Haiti. At a minimum, some Haitian or Caribbean leaders probably would seek a greater US role to restore order and political stability as prerequisites to ultimately resuming a democratic transition. Indeed, we believe that some within the Haitian military might even welcome US military intervention under these conditions. [redacted]

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Appendix A

The NCOs: Assessing Their Political Clout And Agenda

Haiti's noncommissioned officers (NCOs), having played a leading role in the coups in June and September, are still testing the limits of their power. The NCOs' de facto leader, Sergeant Joseph Hebreux, functions as Haiti's unofficial vice-president in public, often appearing by President Avril's side. Embassy reporting suggests, however, that Hebreux is politically unsophisticated and susceptible to manipulation by the politically wily Avril. Although Hebreux and the NCOs do not appear to be acting in a coordinated or politically canny fashion, we believe the military purges they launched indicate that they understand the power they have acquired and the veto they hold over government policy. [REDACTED]

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In our judgment, the NCOs are, for the most part, poorly educated men whose agenda includes some reform but focuses mainly on their own welfare. The list of demands the NCOs presented to Avril following the coup made some reference to political reform but emphasized bread and butter issues for soldiers. Embassy reporting indicates that NCOs are using their influence to demand jobs and favors for themselves, and that the government--unwilling to jeopardize its support from that quarter--is acquiescing. Moreover, Embassy and press reporting suggests the NCOs and their allies among enlisted men are motivated partly by an iconoclastic populism against military and civilian holdovers from the Duvalier regime. In any event, we see little evidence thus far that the NCOs have the strength or the vision to direct Haiti back toward a democratic path. [REDACTED]

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Appendix B

Haiti: Daunting Economic Challenges

President Avril's efforts to consolidate political control over Haiti will be complicated by an economic deterioration under way since most US and multilateral aid was suspended after the electoral collapse last November. The military coup in June dashed hopes that increased foreign aid might ease Haiti's economic problems, and we expect a further dip in assistance for the fiscal year beginning in October to add to Port-au-Prince's troubles. Meanwhile, the regime appears ill-prepared to deal with the government's budgetary crisis and to cope with worsening foreign exchange shortages. Although most Haitians appear weary and more fearful of protests since the electoral debacle, higher prices and emerging shortages may well spark new outbursts in the coming months.

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The Ruling Council's Economic Record

Following the ouster of former President Jean-Claude Duvalier in February 1986, the military-dominated interim government made some progress in laying the groundwork for an economic turnaround. The keystone of this recovery program was a sharp rise in foreign grants--primarily US and French--an IMF Structural Adjustment Facility, and an Economic Recovery Loan from the World Bank. In addition, the former government enacted several reforms--including closure of the two most unprofitable public enterprises and elimination of import quotas and export taxes--to reduce the budget deficit and improve overall economic performance.

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Increased foreign aid enabled Haiti to strengthen its external and domestic financial positions and to curb inflation in 1986 and 1987, although the economy remained stalled.

- o External reserves of the Central Bank increased to \$36 million, equivalent to six weeks' worth of imports at the end of fiscal year (30 September) 1987.
- o Public sector deficits hovered around 7 percent of GDP during this period. These shortfalls were covered primarily by foreign aid--which accounted for nearly 40 percent of total expenditures--that allowed a net repayment to foreign and domestic commercial lenders in fiscal 1986 and only minor domestic borrowing in 1987.
- o Reduced public sector reliance on domestic credit beginning in 1986 helped to halt four years of expansive monetary policy. Moreover, Haiti experienced an actual decline in consumer prices in 1987, largely because of the removal of quantitative controls on key imports such as flour, and cuts in excise taxes and prices charged by some public enterprises.

Even so, the economy--the GDP in 1987 stood at \$2.2 billion--grew at an average yearly rate of less than 1 percent and exports declined by

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9 percent, largely because of disruption caused by sporadic popular unrest. [REDACTED]

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Slashed Foreign Aid

High hopes for continued economic progress were dashed when major donors suspended assistance in the wake of the aborted elections and the subsequent military coup. We calculate that foreign assistance will reach about \$190 million during fiscal year 1988--compared to the \$250 million originally planned. This contrasts with the \$200 million received in 1987, and \$145 million in 1986. The United States halted plans for a significant rise in economic assistance in 1988. The IMF and World Bank, citing the uncertain political and economic climate, subsequently suspended nearly \$40 million in support for economic adjustment. The coup in June prompted France and Venezuela, which had increased aid after Manigat's election in January, and West Germany to curtail their programs. Canada suspended direct aid to the Haitian Government in response to the expulsion of a Canadian priest and growing violence during the waning days of the Namphy regime. [REDACTED]

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We believe a further dip in aid will occur in fiscal year 1989 unless the regime takes meaningful steps toward political and economic reforms. Most donors appear to be waiting until the new military regime demonstrates whether it will provide effective leadership and move the country toward democracy. In the meantime, Avril will have to cope with lower aid levels. [REDACTED]

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Coping with Aid Cuts

As a result of the aid cuts, the Haitian Government is facing a growing budgetary crisis and probably will begin soon to experience shortages of some key imports and an upsurge in inflation. [REDACTED]

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Budget Gap. Reduced foreign budgetary support and shortfalls in domestic revenue collection have substantially widened the public-sector budget deficit and almost certainly will require inflationary domestic financing from the Central Bank. We calculate that foreign aid earmarked for the Haitian Government will take the brunt of the cuts in external support in 1989. [REDACTED]

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None of the four Haitian governments that have held power since the US and multilateral institutions slashed economic assistance late last year have succeeded in making the tough adjustments needed to cope with the growing budgetary crisis. The former military-dominated interim government responded in January to the aid suspensions by cutting projected expenditures by \$25 million, or 9 percent, from the original budget and by raising taxes and public sector prices to add \$15 million to the government's revenues. The plan aimed to balance the government's operating budget but fell far short of its goals largely because of inadequate revenue collection. During his brief tenure, President Manigat cut salaries for top-level government officials and tried to improve tax collection. Even so, the Embassy reports that the budget deficit, excluding capital outlays, totaled \$25 million during the first nine months of fiscal 1988. During his

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[redacted]

brief return to power this year, former President Namphy's actions almost certainly widened the budget gap. His appointments of Duvalierist cronies to key positions in the bureaucracy--still in place following Avril's coup--suggest that budgetary revenues will be increasingly diverted for personal gain and tax evasion may increase. If Avril tries to meet demands for improved living conditions for the NCOs and enlisted men instrumental in putting him in power, the budgetary crisis will worsen. [redacted]

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To help cover the substantial budget deficit, public domestic borrowing will reach nearly \$80 million in fiscal 1988--almost five times the level in 1987--and is likely to be on the same scale in 1989. This borrowing already has started a monetary expansion that will restart inflation and could lead ultimately to a devaluation of the long-stable gourde--Haiti's currency. According to the Embassy, prices rose 4 percent in the first nine months of fiscal year 1988--compared to a 14 percent decline in the same period in fiscal year 1987. The Embassy expects inflation, still at moderate levels, to accelerate as the full impact of increased government borrowing works through the economy. [redacted]

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Balance of Payments. Although Haiti managed the aid cuts so far without much hardship, we expect the lack of foreign exchange to lead soon to shortages of some key imports. The Central Bank's foreign exchange reserves--\$30-40 million in January 1988, largely due to substantial foreign aid received in 1987--were drawn down to \$6 million by July, according to the IMF. Moreover, arrears to foreign creditors, including the IMF, have begun to mount. Given the expected drop in aid this year, we believe that Port-au-Prince will have some difficulty ensuring adequate supplies of petroleum, grains, and other critical imports in the near future. While we lack hard evidence, we believe the inflow of money from narcotics trafficking, however, apparently has increased the supply of US dollars on the parallel market and may help cushion Port-au-Prince's foreign payments problems. [redacted]

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Precarious Near-Term Outlook

Considering the dim prospects for a substantial boost in aid, we expect Haiti's economy to weaken and become more vulnerable to outbreaks of unrest over the next year. Financial constraints on imports and new public projects, in our view, will cause the overall economy to stagnate at best. Labor organizers are likely to resume efforts to organize workers in assembly firms and to cause some labor unrest. The unsettled political situation combined with another major round of unrest could disrupt manufacturing and be the last straw for some nervous foreign investors. Although most Haitians appear weary and more fearful of protest since the electoral collapse, higher prices and possible consumer shortages may spark new demonstrations in coming months. [redacted]

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In any event, we believe increased hardships for most Haitians and fear of an eventual crackdown in response to renewed unrest may well boost the flow of illegal migrants from Haiti to the United

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[REDACTED]

States and other countries in the region. Following Duvalier's ouster and the subsequent outbreak of political unrest, the numbers of Haitian migrants interdicted by the US Coast Guard rose steadily; the largest monthly total of over 1,200 came in August 1986. These interdictions occurred at an average rate of approximately 300 per month in 1987 and 350 per month for the first five months in 1988.

[REDACTED]

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Appendix C

Foreign Assistance To Haitian Radicals

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[redacted] foreign radical interest in Haiti diminished somewhat when President Manigat took office in February and has not significantly increased since the military coup deposed him in June. [redacted]

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[redacted] the foreigners' true intentions and the extent of their support to Haitian extremists remain unclear following the military coup in September. [redacted]

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Libya

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[redacted] Tripoli's keen interest in fomenting subversion in Haiti after Duvalier's ouster has waned because of disappointment over a lack of results by Libya's clients. Nevertheless, the Libyans reportedly continue to provide basic weapons training to small groups of Haitian radicals. [redacted]

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Cuba

Havana is following a wait-and-see approach, continuing modest support to the Unified Party of Haitian Communists, while exploring the feasibility of pursuing a more activist agenda. [redacted]

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USSR

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[redacted] Moscow has shown virtually no interest in assisting leftist groups in Haiti. [redacted]

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[redacted] the Soviets at this juncture are not encouraging a Communist or leftist push for power any time soon, [redacted]

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Dominican Communist Party

The Dominican party supports Cuban efforts in Haiti but also has its own more militant agenda. [redacted]

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The French Left

[redacted] the French Communist Party maintained close contacts with exiled Haitian Communists during the Duvalier era and began providing modest funding and political training to the Haitian Communist Party when the leadership returned to Haiti in 1986.

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[redacted] the French Communists also are disappointed with the party's performance. [redacted]

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[redacted] the French Socialist Party has close ties to the leftist Patriotic Unity Bloc headed by Serge Gilles. [redacted]

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Appendix D

Duvalierism: Political Ideology or Gangsterism?

Former President Francois "Papa Doc" Duvalier (1957-71) formulated a political and cultural ideology in the 1950s to facilitate his rise to power. Duvalier developed a populism to garner mass support by manipulating the traditional hostility of Haiti's impoverished black majority toward the small, but wealthy, mixed-race Haitian elite largely backing Louis Dejoie, Sr., his light-skinned opponent, in the presidential election of 1957. Duvalierism, as it became popularly known, was based on the concept of "negritude," stressing the African roots of black Haitian cultural achievements while vilifying the French cultural preferences exhibited by the mulatto upper class. Meanwhile, Duvalier's black supporters hoped to gain upward social mobility and an improved standard of living. [REDACTED]

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In practice, Francois Duvalier's presidency fit the corrupt and brutal pattern of most Haitian governments since the country's independence in 1804. Duvalier in power felt no responsibility to improve the lot of the masses who supported him--their quality of life deteriorated under his regime--and instead sought to grasp power indefinitely in 1964 by declaring himself President-for-Life. Duvalier and his ruling clique enriched themselves at public expense and consolidated their control through the so-called Ton Ton Macoutes (Creole for "bogeymen")--initially a group of officially sanctioned thugs--who propped up the regime through terrorism and extortion. Duvalier also replaced professional Army officers with opportunistic sycophants to weaken the military's threat to his power. [REDACTED]

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Following "Papa Doc's" death in 1971, his son Jean-Claude "Baby Doc" Duvalier inherited the office and continued to preside over the system of pervasive official corruption, though with relatively less brutality. Jean-Claude gradually jettisoned many of his father's "old-guard" supporters, increasingly brought mulattoes into his inner circle, and merged many of the Macoutes with the uniformed militia, called the Volunteers for National Security, that had reached a strength of 16,000 by 1985. The Embassy reports that by early 1986, many longtime prominent supporters of the regime--so-called Duvalierists--viewed Jean-Claude as incapable of protecting their interests and did not try to block the takeover by the military. [REDACTED]

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Duvalierism appears to us to have lost its cultural significance as a political ideology as soon as it came into power in the late 1950s, with the Duvalierists becoming a motley collection of wealthy opportunists, old-guard extremists, and military officers motivated mostly by self-interest. Although

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many leading Duvalierists are black, others are mulatto, and at least one member of the old-guard, Clifford Brandt, is of white Jamaican ancestry. Despite the Army's uneasy relationship with Duvalierists, President Prosper Avril has close ties to the old-guard, according to the Embassy [redacted] We believe that Duvalierists, while generally rightist in political bent, are not easily placed on the political spectrum nor constrained by ideology in their tactics. For example, former Port-au-Prince mayor Franck Romain offered funds and weapons in mid-1987 to members of an extreme leftist group in return for creating civil disturbances aimed at disrupting the transition to democracy, [redacted] With their bands of armed ex-Macoute loyalists to do their bidding, leading Duvalierists, in our view, more closely resemble organized crime chiefs or neofeudal warlords than political leaders. [redacted]

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